

1 The California State Lands Commission (the “Commission”) hereby responds to
2 paragraph 33 of the Debtor’s Status and Pending Motion Report (the “Report”) [Docket
3 No. 201], in which the Debtor mentions negotiations between the Debtor, UBS, and the
4 Creditors’ Committee, and the Debtor’s consent to the employment of a chief restructuring
5 officer and independent director.
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7 As a major creditor in this Chapter 11 case, the Commission opposes the
8 employment of a chief restructuring officer and independent director. The Commission
9 believes that the employment of a chief restructuring officer and independent director
10 would not alleviate the critical problems with management, and that only the appointment
11 of a trustee will suffice.
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13 Moreover, as an aside, despite the Commission’s extensive participation in this
14 proceeding both when it was filed in New York and during the interim transfer to Texas,
15 and the Commission’s central role in the predecessor case filed in Texas, neither the
16 Debtor nor the Creditors’ Committee engaged in any discussion with the Commission
17 related to management, a chief restructuring officer, or an independent director.
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19 The Commission is not alone. The Commission has been advised and authorized to
20 represent that the California Department of Conservation, Division of Oil, Gas, and
21 Geothermal Resources (DOGGR) and BUGANKO, LLC also oppose the employment of a
22 chief restructuring officer and independent director, and will seek the appointment of a
23 Chapter 11 trustee. DOGGR is presently pursuing an enforcement action against the
24 Debtor for regulatory violations in connection with its oil operations in the Richfield
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1 Oilfield in Orange County, and in addition is a general unsecured creditor. BUGANKO,
2 LLC is a creditor owed amounts for unpaid monthly surface rental and royalty payments.
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5 Dated: September 20, 2019

LOEB & LOEB LLP
*Attorneys for the California State Lands
Commission*

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8 By: /s/ Marc S. Cohen

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

10100 Santa Monica Blvd., Suite 2200, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled (*specify*): **CALIFORNIA STATE LAND COMMISSION'S RESPONSE TO PARAGRAPH 33 OF THE DEBTOR'S STATUS AND PENDING MOTION REPORT RE CHIEF RESTRUCTURING OFFICER AND INDEPENDENT DIRECTOR** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **September 20, 2019**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Brian D Fittipaldi	brian.fittipaldi@usdoj.gov
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☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On September 20, 2019, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on September 20, 2019, writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Honorable Martin R. Barash
United States Bankruptcy Judge
United States Bankruptcy Court
Central District of California
21041 Burbank Boulevard, Suite 342 I Courtroom 303
Woodland Hills, CA

Via Personal Delivery

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

September 20, 2019
Date

Martha Ortiz
Printed Name

/s/ Martha Ortiz
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Service by United States Mail:

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